

# FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Infinity Bank  
(In organization)  
Santa Ana, Orange County, California

Application for Federal Deposit Insurance

## ORDER

The undersigned, acting on behalf of the Board of Directors of the Federal Deposit Insurance Corporation ("FDIC") pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of section 6 of the Federal Deposit Insurance Act, as they relate to the application for Federal deposit insurance with membership in the Deposit Insurance Fund for Infinity Bank ("Bank"), a proposed state nonmember bank to be located at 6 Hutton Centre Drive, Suite 100, Santa Ana, Orange County, California 92707, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED, for the reasons set forth in the attached Statement, that the application submitted by the Bank for Federal deposit insurance be, and the same hereby is, approved, subject to the following conditions:

1. That initial paid-in capital funds of not less than \$30,000,000 be provided.
2. That the Bank's Tier 1 capital to assets leverage ratio (as defined in the capital regulations of the FDIC) be maintained at not less than eight percent (8.00%) throughout the first three years of operation, and that an adequate allowance for loan and lease losses ("ALLL") be provided from the date insurance is effective.
3. That the Bank shall pay no dividends during the first three years of operations without the prior written approval of the appropriate FDIC Regional Director and the California Department of Business Oversight.
4. That the Bank must operate within the parameters of the Business Plan submitted to the FDIC. During the first three years of operation, the Bank must obtain prior written non-objection from the FDIC's San Francisco Regional Director of any proposed major deviation or material change from the submitted Business Plan, at least 60 days prior to implementation of any such major deviation or material change.
5. That, during the Bank's first three years of operation, the Bank must notify the FDIC's San Francisco Regional Director of any plans to establish a loan production office 60 days before opening the facility.
6. That prior to the Bank's opening, full disclosure must be made to all proposed directors and stockholders of the Bank of the facts concerning the interest of any insider in any transactions being effected or contemplated, including the identity of the parties to the transaction and the terms and costs involved. An "insider" is a person who: (i) is or is proposed to be a director, officer, or incorporator of the Bank; (ii) is a shareholder who directly or indirectly controls ten percent (10.00%) or more of any class of the Bank's outstanding voting stock; or (iii) is an associate or related interest of any such person.

7. That any changes in the Bank's proposed management or the proposed ownership of ten percent (10.00%) or more of the Bank's stock, including new acquisitions of or subscriptions to ten percent (10.00%) or more of stock, must be approved by the FDIC prior to the Bank's opening.
8. That, with respect to any proposed Bank director or senior executive officer for whom background checks have not been completed, the Bank must take such action as required by the FDIC's San Francisco Regional Director if the FDIC objects to any such person based on information obtained during the background check.
9. That, during the Bank's first three years of operation, the Bank must obtain the written non-objection of the FDIC's San Francisco Regional Director prior to the addition of any individual to the board of directors or the employment of any individual as a senior executive officer of the Bank.
10. That, during the Bank's first three years of operation, the Bank must obtain the written non-objection of the FDIC's San Francisco Regional Director prior to the implementation of any stock benefit plans, including stock options, stock warrants, or other similar stock-based compensation plans established by the Bank not previously reviewed by the FDIC as part of the application for Federal deposit insurance.
11. That the Bank will obtain an audit of its financial statements by an independent public accountant annually for the first three years of operation and submit to the FDIC's San Francisco Regional Office: (i) a copy of the audited annual financial statements and the independent auditor's report within 90 days following the end of the Bank's fiscal year; (ii) a copy of any other reports by the independent auditor (including management letters) within 15 days after receipt by the Bank; and (iii) written notification within 15 days when a change in the Bank's independent auditor occurs.
12. That the Bank will develop and implement a Community Reinvestment Act plan appropriate for the Bank's business strategy, including identification of an assessment area that complies with Part 345 of the FDIC Rules and Regulations.
13. That the Bank will adopt an accrual accounting system for maintaining the financial records of the Bank in accordance with U.S. Generally Accepted Accounting Principles.
14. That, prior to the effective date of Federal deposit insurance, the Bank must obtain adequate fidelity coverage.
15. That Federal deposit insurance will not become effective until the Bank has been granted a charter and has authority to conduct a banking business, and that its establishment and operation as a depository institution has been fully approved by the appropriate federal and state supervisory authorities.
16. That, until deposit insurance becomes effective, the FDIC retains the right to alter, suspend, or withdraw its commitment should any interim development be deemed by the FDIC to warrant such action.
17. That, if Federal deposit insurance has not become effective within one year from the date of this ORDER, or unless, in the meantime, a written request for an extension of time by the Bank has been approved by the FDIC, the consent granted shall expire at the end of this time period on said date.

By Order of the Regional Director of the San Francisco Regional Office, acting pursuant to delegated authority for the Board of Directors of the FDIC.

Dated at San Francisco, California this 12<sup>th</sup> day of June, 2017.

/s/

Kathy L. Moe  
Regional Director

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## STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act ("FDI Act") (12 U.S.C. § 1815), the Federal Deposit Insurance Corporation ("FDIC") received an Interagency Charter and Federal Deposit Insurance Application on behalf of Infinity Bank, a proposed new community bank that will be located in Santa Ana, California ("Bank"). The application is intended to establish a newly-chartered state nonmember commercial bank. The organizers concurrently applied to the California Department of Business Oversight ("CDBO") for a state bank charter, and received conditional approval on January 24, 2017, from the CDBO to form a de novo commercial bank to be known as Infinity Bank.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was initially published pursuant to the FDI Act on July 8, 2016, under the name SoCal Bank. The Bank's name was subsequently changed to Infinity Bank, and notice under that name was published, in a form approved by the FDIC, on January 18, 2017.

The organizers have not established a bank holding company. The opening capital of the Bank will be realized from a private offering of 3,000,000 shares of common stock at a price of \$10.00 per share.

The Bank's Business Plan is for a community bank that provides banking services in the greater Orange County, California Market area. The majority of deposits and loans are expected to originate from within a 20-mile radius around the proposed headquarters location, located at 6 Hutton Centre Drive, Suite 100, Santa Ana, Orange County, California 92707.

The Bank will operate in the local market offering traditional products and services, serving the needs of small- and medium-sized businesses, business owners and professionals, and real estate owners and investors. The Bank will be managed by an experienced management team, including a diversified and knowledgeable Board of Directors who is committed to serving the local community.

The Bank will operate with sufficient capital and managerial resources to accomplish the strategies and goals in the Business Plan. The Bank will be capitalized with an amount sufficient to achieve and maintain a Tier 1 capital to assets leverage ratio, as defined in the capital regulations of the FDIC, of not less than eight percent (8.00%) throughout the Bank's first three years of operation. Moderate growth is projected, and future earnings prospects appear attainable. The Bank's plans appear to satisfy the convenience and needs of the community. Corporate powers to be exercised are consistent with the purposes of the FDI Act, and no undue risk to the Deposit Insurance Fund is evident.

Accordingly, based upon a careful evaluation of all available facts and information, and in consideration of the factors of Section 6 of the FDI Act, the San Francisco Regional Director, pursuant to delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**REGIONAL DIRECTOR  
DIVISION OF RISK MANAGEMENT SUPERVISION  
FEDERAL DEPOSIT INSURANCE CORPORATION**